

MARICOPA COUNTY BOARD OF HEALTH MEETING

January 26, 2015

301 W. Jefferson Street, 10th Floor

Phoenix, Arizona 85003

Board of Supervisors Conference Room

Meeting was called to order at 2:30 p.m.

ROLL CALL:

Members Present:

Don Cassano

Francisca Montoya

Kip Steill

Members Absent:

Andrew Ingram

Mr. Scot Pitcairn inquired if members were aware of the State constitutional spending limitation and the restrictions imposed when that happens. He explained the County is bumping against that spending cap for FY 15 budget. This piece of legislation was passed by voters about 40 years ago and spending is allowed to go up with the rate of inflation and population growth. As everyone well knows, inflation has been very low lately and the population has almost leveled out from a few years ago and hasn't picked up much since then. We have enough tax revenue but are restricted by this spending limitation which will be a factor going into next year's FY16 budget recommendations. He noted there are certain types of spending that are exempt from it such as death services for example or any new program that has been transferred. Then the expenditure does not count toward the County.

DISCUSSION ITEMS:

1. Approval of BOH Finance Minutes, October 27, 2014

Mr. Kip Steill

Motion was made by Mr. Kip Steill to approve the minutes from the BOH Finance Meeting held on October 27, 2014. Motion was seconded by Ms. Francisca Montoya and motion to approve the minutes was unanimous.

2. Public Health Finance Report

Mr. Scot Pitcairn

This report is for the period through December 31, 2014. Mr. Pitcairn reported Public Health has spent 48.6% of the General Fund allocation. The net positive variance for budget to actuals year to date is \$472,759. Personnel expenses had a positive variance compared to budget of \$388,347, and the operating expenses had a positive variance of \$84,412. Vacancies are generating \$375,602 more in savings than was budgeted.

\$378,114 of the \$472,759 positive variance year-to-date is in three areas: Epidemiology, the Lab and Community Transformation. In Epidemiology, spending on temps is running below last year's rate, and vacancy savings is exceeding budget. In the Lab, chargeback credits from other user programs are running well ahead of budget. This should even out as the year progresses. In the Community Transformation Program, there is a lag in the payments for ASU and other contractors to foster health partnerships and other policy initiatives. \$154K is budgeted for these contracts this year, down from \$246K in FY14. In addition,

a community partnerships position has been vacant in this program for most of the fiscal year.

Through December, 46.1% of the Grant Fund budget has been expended. Of the net positive expenditure variance compared to budget year to date of \$1,454,747, \$1,217,351 is in personnel and \$237,397 is in operations. Most of the positive variance (\$1,094,372) is in vacancy savings. In the Refugee Health Screenings program, expenditures are running ahead of budget year to date by \$159,124, but the fees from the RMAP (Refugee Medical Assistance Program) are not limited by a budget cap. The collections are running \$48,527 ahead of budget, but still well behind expenditures. Despite our concerns last year, we ended up collecting enough revenues to cover our expenses, but we will still continue to monitor the current year's budget carefully. The dental sealant grants expenditures year to date are \$132,629 below budget, largely a result of vacancy savings from difficulties in hiring and retaining part-time dental hygienists and dentists. The Family Health grants and the Nutrition/SNAP-Ed grant are generating substantial vacancy savings as well. In addition, the Nutrition grant's spending on its sub-recipients is well below budget year to date, but last month the spending exceeded budget, so they are catching up.

Actual grant revenues year-to-date are \$6.8 million short of budgeted revenues year-to-date. Given that we have over \$44 million of grant awards this year, even one month lag, which is our goal but hard to attain, results in \$3.6 million in receivables at any given time. Nearly half of the negative variance is from our WIC and Nutrition/SNAP-Ed grants. For WIC, there has been a delay in payment of the final couple of months' billings at the end of the grant year (end of September). The Nutrition grant program just submitted the first 3 months' billings for the current year's grant cycle which started October 1st. The contract did not receive final approval until December 29th. If the grantor is delayed in finalizing our contract, they will not pay the first invoice until the contract is finalized and their grant purchase order is issued. We will try to reduce this amount of receivables. We recently implemented a new, simple accounts receivable tracking system for tracking the grant revenues, which should help us to better stay on top of the outstanding grant receivables.

Recently acquired new grants include a new Lead Hazard grant from the City of Phoenix (\$339,617), a "Walk n Rollers" grant from ADOT (\$124,191), and a Prescription Drug Misuse grant from the Arizona Criminal Justice Commission (\$126,244). We also received additional funding of \$790,574 from the federal Nurse Family Partnership Program.

From the Special Revenue Fund we have spent 39% of our expenditure budget as of December month-end. Actual revenues year-to-date are only \$45,695 short of budget year-to-date. Revenues exceed expenditures by \$165,774, so this fund is structurally in balance half-way through the year.

For our Vital Registration Office, birth and death certificate fee revenue has posted a modest negative variance of \$29,171 compared to budget for the year-to-date. The Office has kept its expenditures under budget (by \$463,926) and within revenues (by \$5,904), so the account is structurally balanced. They have managed this by not hiring temps and through vacancy savings. The program's new West Valley Office, jointly shared with our Community Health Nursing Program, is now occupied to serve that region. The expenses for setting up this office are paid from the accumulated Special Revenue fund balance, and will be in the range of \$400K. Revenues for Vital Registration will be picking up substantially with the closure of the State's birth and death certificate counter, which has been collecting about \$1 million in revenues per year.

Community Health Nursing/Child Immunization's third party collections are slightly ahead of budget year to date, and revenues exceed expenditures year-to-date by \$55,926, so the account is structurally balanced revenue to expenditures. Program fee revenues come from third party collections by TAPI from AHCCCS and private insurers.

At our main clinic, the TB Control fee program has a modest negative structural balance (\$6,000). Our Refugee fee fund revenues are coming in way ahead of budget. This results from a sharp increase in AHCCCS reimbursements. The Refugee account in our fee fund is funded from AHCCCS fees we collect for refugee client services and a minimal amount of fees paid by clients.

Our Adult Immunization/Foreign Travel fee program is not generating enough fees to cover expenses (out of structural balance by \$36,772). We hope this situation improves later in the year as travel increases. The STD Control fee program, on the other hand, is structurally balanced. Even though expenses exceed budget year-to-date, revenues have exceeded budget as well, which is more than enough to cover the higher expenses. This is the case even though our \$20 fee has not changed for many years, and we provide free services two evenings per month.

3. Environmental Services Finance Report

Ms. Diane Cabanillas

Ms. Cabanillas reported on two funds. The first one was the General Fund which had reported revenues at 94.27% over the year-to-date (YTD) budget and expenditures 8.45% under the YTD budget through December of FY 2014-15.

Agency 880 is funded by the County General Fund subsidy. Environmental Services collects some enforcement revenue from non-permitted activities. These fines are associated with violations of the Environmental Health Code by persons and organizations not subject to obtaining a permit. Agency revenue through 50% of FY 2014-15 finished at \$17,564 which is 94.27% or \$8,523 over YTD budget.

The Environmental Services General Fund Agency is reporting expenditures 8.45% or \$237,866 under YTD budget for FY 2014-15. This variance is made up of a Personnel variance of \$7,201, Supplies & Services variance of \$192,066 and Capital Expenditures

variance of \$38,600. The fund currently has a favorable variance, however, Environmental Services worked with OMB in order to appropriate additional funding for Vector Control. The funding has allowed for continued mosquito outbreak control due to unexpected heavy rain storms causing enormous amounts of standing water throughout the County during the months of September and October. Previously dispersed adulticides were washed away during these storms, making it necessary to re-treat all known breeding sites within Maricopa County. The funding allowed Environmental Services to purchase Eight (8) totes of Duet, three (3) electric foggers, additional mosquito control products, such as adulticides and other directly related supplies.

Adjournment

There being no further business, motion was made by Mr. Kip Steill to adjourn the meeting. The motion was seconded by Don Cassano and the motion passed unanimously. Mr. Steill adjourned the Finance meeting at 2:50 p.m.